

Message Text

SECRET

PAGE 01 JIDDA 02347 280655Z

ACTION EB-08

INFO OCT-01 AF-10 ARA-10 EA-10 EUR-12 NEA-10 IO-13

ISO-00 SOE-02 AID-05 CEA-01 CIAE-00 COME-00

DODE-00 DOE-15 H-01 INR-10 INT-05 L-03 NSAE-00

NSC-05 OMB-01 PM-05 USIA-06 OES-07 SP-02 SS-15

STR-07 TRSE-00 ACDA-12 /176 W

-----009913 280658Z /13

P R 280545Z MAR 78

FM AMEMBASSY JIDDA

TO SECSTATE WASHDC PRIORITY 1544

INFO AMEMBASSY ABU DHABI

AMEMBASSY ALGIERS

USINT BAGHDAD

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY CARACAS

AMCONSUL DHAHRAN

AMEMBASSY DOHA

AMEMBASSY JAKARTA

AMEMBASSY KUWAIT

AMEMBASSY LAGOS

AMEMBASSY LIBREVILLE

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY QUITO

USLO RIYADH

AMEMBASSY TEHRAN

AMEMBASSY TOKYO

AMEMBASSY VIENNA

USMISSION GENEVA

S E C R E T JIDDA 2347

E.O. 11652: GDS

TAGS: ENRG, SA

SUBJ: APRIL 3 OPEC MEETING - UNIT OF ACCOUNT FOR PRICING OIL

SECRET

SECRET

PAGE 02 JIDDA 02347 280655Z

1. DEPUTY MINISTER OF PETROLEUM AND MINERALS, ABDUL AZIZ TURKI, TOLD CHARGE ON MARCH 26 THAT SAG WOULD ATTEND THE APRIL 3 OPEC MEETING IN GENEVA AT MINISTERIAL LEVEL. MEETING WILL NOT HAVE A PREDETERMINED AGENDA, BUT QUESTION OF DENOMINATING OIL PRICES IN A NEW UNIT OF ACCOUNT BASED ON A BASKET OF CURRENCIES WILL PROBABLY BE DISCUSSED.

2. CHARGE ASKED TURKI WHAT THE SAG POSITION WILL BE IF THIS ISSUE IS RAISED, AND TURKI REPLIED THAT SAG WOULD HAVE TO MAKE AN OBJECTIVE JUDGMENT ON WHERE ITS INTERESTS LIE CONSIDERING BOTH SHORT AND LONG TERM FACTORS. HE SAID THAT SAG HAD NOT AS YET REACHED ANY FINAL CONCLUSIONS.

3. CHARGE ASKED IF A FINAL DECISION FOR OPEC WOULD BE REACHED AT THE APRIL MEETING, AND TURKI REPLIED THAT ISSUE WOULD PROBABLY BE DISCUSSED AND THEN TURNED OVER TO OPEC'S ECONOMIC STAFF FOR FURTHER STUDY. STAFF WILL PROBABLY BE ASKED TO SUBMIT ITS RECOMMENDATIONS TO THE JUNE OPEC MEETING.

4. COMMENT: WHILE SAUDIS HAVE BEEN QUITE FIRM IN MAINTAINING THAT THEY WILL CONTINUE TO ASK FOR PAYMENT FOR THEIR OIL IN DOLLARS, THEY HAVE BEEN RATHER AMBIGUOUS ON THE POSSIBILITY OF CHANGINNG THE UNIT OF ACCOUNT TO SOME OTHER COMBINATION OF CURRENCIES. WE BELIEVE THAT SAUDIS ARE ACUTELY CONSCIOUS OF THEIR OWN VAST DOLLAR DENOMINATED HOLDINGS AND WILL NOT TAKE ANY STEPS THAT MIGHT FURTHER AFFECT THE DOLLAR'S EXCHANGE RATE WITHOUT CAREFUL CONSIDERATION OF ALL RAMIFICATIONS OF SUCH AN ACTION.

5. RECOMMENDATION: IF DEPT OR INTELLIGENCE COMMUNITY HAS AN ANALYSIS OF THE CONSEQUENCES OF SUCH A MOVE ON THE WESTERN ECONIES AND ON THE VALUE OF THE DOLLAR, WE MIGHT
SECRET

SECRET

PAGE 03 JIDDA 02347 280655Z

CONSIDER PASSING IT TO THE SAUDIS BEFORE THE APRIL 3 OPEC MEETING.
WILEY

SECRET

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM PRODUCTS, MINISTERIAL MEETINGS, NEGOTIATIONS, PRICES
Control Number: n/a
Copy: SINGLE
Draft Date: 28 mar 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978JIDDA02347
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780134-0019
Format: TEL
From: JIDDA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780319/aaaaapwe.tel
Line Count: 97
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 454881bc-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: SECRET
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: SECRET
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 25 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3185417
Secure: OPEN
Status: NATIVE
Subject: APRIL 3 OPEC MEETING - UNIT OF ACCOUNT FOR PRICING OIL SECRET SECRET
TAGS: ENRG, SA, OPEC
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/454881bc-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014